

Five Hidden Mistakes Leaders Make

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Change is a fact of life in today's global environment. It used to be that we had the luxury of time. Today the ever changing pace of technology, a greatly shrinking world and the instantaneous transfer of information make managing a company much more challenging than it was even just 20 or 30 years ago.

What do you think about when driving home at the end of a long day - problems or opportunities? The difference between these two is the difference between a weak organization not meeting its performance objectives and an outstanding organization that is a profitable, growing market leader. Effective leaders intentionally target opportunities instead of reacting to problems.

Right now your company, you division, or your department gets the results—good or bad—that it was designed to get. If your vision of the future differs from your current situation, if you want to get better results, then you must change the way you do things. If you don't, how can you expect results that are any different from what you've already achieved?

Successful executives, who want to increase revenue and profits, outperform the competition and become marketplace leaders work to build an outstanding company that is proactive and able to identify, develop and realize opportunities – regularly year after year. They do this by minimizing the five mistakes. They develop both a clear definition of a desired future and effective operations including people productivity and leadership culture. Realize that over time the sum of strategy, productivity and leadership will result in an outstanding company.

The five hidden mistakes are common to all organizations. We all make them to some extent. Success in overcoming them brings sustainable growth in revenue and profitability. We develop unfair competitive advantage.

The five mistakes are lack of; focus, development, practice, planning and accountability.

Focus

Many managers focus on efficiency, doing things right, and not effectiveness, doing the right things. Peter Drucker stated the difference well, "There is nothing more wasteful than becoming highly efficient at doing the wrong thing."

Determine your high payoff activities, those activities that generate the most success at your level of responsibility. Set measurable goals to reach them. Track progress. Focus drives performance, performance drives results. When we make regular improvements we build competitive advantage over time.

Development

What is the main difference between companies in your industry? Your product or service is similar. Your procedures and processes are similar. Almost always, the reason some companies struggle while others grow and prosper is the skill and ability of the management team.

Most people confuse training and development. Training is reactive, such as learning new software. Development is specifically designed to change behaviors and attitudes. Development is results based. You specify a process improvement and get predetermined results. Training improves efficiency, development improves effectiveness.

“People are our most important asset” is an overused cliché. Yet how many of us truly understand the point it expresses? Our key people drive the processes that determine our future success. To achieve stronger results we must build a culture where our people can develop their effectiveness. As they become more effective, they are able to significantly impact the bottom line.

Effective leaders have a basic understanding: a small improvement in the effectiveness of key personnel always has a much greater impact on profitability.

Practice

To enhance our success we must regularly practice behaviors and attitudes to improve our effectiveness. A favorite saying of mine is, “No great manager or leader ever fell from heaven. It is a learned skill, not inherited.” As we rise up the management ladder our behaviors and attitudes need to be updated. Developing strong leadership and working through people become more important to our success.

Leadership is having competency in focus and people development. The effective leader is a developer of people. He understands a basic adage of leadership - his success depends on the success of others. Developer CEOs build a results based culture of enthusiastic, motivated, confident employees committed to achieving the organization's future vision, where people can perform to their high standards and reach their personal goals. As they reach their goals, the company has equally outstanding success.

Lack of practice is the mistake we often make as we try to improve our effectiveness. We hear about a new technique and try to use it immediately. Before we implement a technique in key areas of our business, we must devote time to becoming experts in its use.

To improve, practice new behaviors and attitudes. When we don't practice we fall prey to the insanity trap, doing the same thing over and over and expecting different results. We get in a rut, “A coffin with the ends knocked out.” We recycle our problems and never develop our potential or the potential of our organization.

Planning

Planning is the single most important activity a CEO and his management team can undertake. Focus on your core competencies first. Understand the key success factors that drive your marketplace and develop those into core competencies in your company. This requires developing a comprehensive strategy and then executing it.

Accountability

Both and tactical and strategic accountability are crucial in producing outstanding results. They need to be addressed separately otherwise generating revenue will take priority and strategic initiatives will slip.

Is your organization running you or are you in control? Do you have a strategy and operational initiatives to improve performance that your management team fully supports? Do you hold yourself and your team accountable to meet the milestones you have set for yourself?

The five hidden mistakes are made by any manager and department, division or organization. Senior executives make decisions with major effects. Junior executives make profit and margin decisions every day.

Overcoming the five mistakes allows you and your organization to develop effective strategy, people productivity and leadership capability. Over time the sum of strategy, productivity and leadership will result in an outstanding company. The culmination of an employee-focused and performance-based culture is organizational excellence, competitive advantage in your marketplace and sustainable growth in revenues and profitability.